

**APPLICATION GUIDELINES AND INSTRUCTIONS**  
**Planning Funds**  
**May 2014 Invitation**  
**For State Fiscal Year 2014-2015**

A completed Application for Planning Funds and all required attachments must be submitted (postmarked) no later than **September 29, 2014**. Only completed planning fund applications submitted by the deadline will be considered for funding.

These guidelines and instructions are intended to assist Safe Drinking Water State Revolving Fund (SDWSRF) applicants in completing the Application for Planning Funds. The guidelines should be used in conjunction with a copy of the SDWSRF regulations for a better understanding of the program requirements.

California Department of Public Health (CDPH) will notify the applicant by letter when it has been determined that an application is complete, at which time a detailed review will begin. Only applications determined to be complete will be processed.

The application for Planning Funds is available under SRF Planning Loan Application on the web at:

<http://www.cdph.ca.gov/services/funding/Pages/SRFApplication.aspx>

SDWSRF Regulations can be found at:

<http://www.cdph.ca.gov/certlic/drinkingwater/Pages/Lawbook.aspx>

CDPH District Office map and contact information is available at:

<http://www.cdph.ca.gov/programs/Documents/DDWEM/OriginalDistrictMapCDPH.pdf>

CDPH Environmental Review Unit (ERU) map and contact information is available at:

<http://www.cdph.ca.gov/certlic/drinkingwater/Documents/ERU/2013/ERU%20District%20Map.pdf>

## GUIDELINES

Applicants are encouraged to contact the CDPH District Office that oversees the project area to discuss questions regarding the planning project or to request assistance in completing the application.

Planning fund applicants may request funding for Planning Study elements. A Planning Study may include conducting feasibility studies; evaluating problem(s) and potential solutions; conducting environmental evaluations and preparing California Environmental Quality Act/National Environmental Policy Act (CEQA/NEPA) documents; preparing Technical, Managerial, and Financial (TMF) documents and assessments; conducting preliminary engineering, and preparing plans and specifications.

There are several components of the Planning Funds application that must be submitted. These include the following:

1. Application for Planning Funds (Enclosure 1p)
2. The required attachments as listed under Part I of the Application for Planning Funds. (Also see the Applicant Checklist of Documents to Submit for Planning Funds, Enclosure 4p.)

All recipients of SDWSRF planning funds will be required to submit all deliverables identified in the Scope of the Project to the CDPH District Office no later than 36 months from the date of funding agreement execution. If the planning project includes the development of full plans and specifications, applicant must seek CDPH District Office approval **prior** to proceeding with design. In all cases, planning fund projects must be completed within 36 months.

## INSTRUCTIONS

**These instructions follow the same order as the questions on the Application for Planning Funds (Enclosure 1p). Clarification concerning completion of the application can be obtained by contacting the CDPH District Office for your water system.**

### PROJECT NUMBER

This is the number of the project that appears on the project priority list and Statement of Intent. An example of a water system's complete project number is 1234567-001. The first seven digits make up the water system identification number.

## PROJECT LIST CATEGORY

This is the category ranking of the problem to be solved by the project that appears on the project priority list (see Statement of Intent for your project category).

## PART A. GENERAL INFORMATION

### 1. Legal Name of Applicant Water System

Provide the legal name of the public water system that is acting as the applicant for the planning funds. The name used should be the same as it appears on the domestic water supply permit. If the name has changed, please attach supporting documentation for the name change.

If the applicant is a privately owned for-profit business such as a mobile home park, and is doing business under any name other than the owner's true name, the name of the applicant must be the name on the fictitious business statement. A copy of the certificate of fictitious business name statement from the county in which the statement was filed must be attached.

If the project involves more than one existing public water system, the water system whose name appears as the applicant must be the system that has been designated in writing by all participants as the lead (see Guidelines for Consolidation Projects (Enclosure 13) for the documents to be submitted with the application.) This system will be the recipient of the loan on behalf of all the water systems involved in the project. This entity will be the party responsible for repayment of the loan and would sign the SDWSRF funding agreement. For projects involving consolidation of several water systems, the CDPH District Office should be contacted and asked to determine whether each system involved in the project needs to submit a separate Application for Planning Funds.

### 2. Name/Title of Project

Provide the common name of the improvement project.

### 3. Water System Street Address

Provide the street address where the water system is located, not the address of an owner or company headquarters that may be located in a different city.

### 4. Water System's California Senate District Number

Provide the California Senate District number for the primary place of business of the water system. The primary place of business is typically located at the street address of the water system. California Senate and Assembly Districts numbers can be found at the following website: <http://www.legislature.ca.gov/>

**5. Water System's California Assembly District Number**

Provide the California Assembly District number for the primary place of business of the water system. The primary place of business is typically located at the street address of the water system. California Senate and Assembly Districts numbers can be found at the following website: <http://www.legislature.ca.gov/>

**6. Project Address**

If different than the above water system street address, provide the address of the project.

**7. Mailing Address**

Provide the address where information and other mail regarding the funding should be sent.

**8. County**

Identify the county in which the water system's distribution system is located.

**9. Data Universal Numbering System (DUNS) Number**

Obtain a Data Universal Numbering System (DUNS) identification number and submit the DUNS number to CDPH for review. The DUNS number is a unique, nine digit identification number specific to the water system and is a means of identifying business entities on a location specific basis. There is no charge for obtaining a DUNS number, which can be obtained online at <http://fedgov.dnb.com/webform/> or by phone at 1-866-705-5711.

**10. Authorized Representative**

Provide the name, title, telephone number, and email of the person authorized to represent the water system and sign documents pertaining to this Application for Planning Funds. If the water system is owned by a public agency or has a governing board, the application must include a copy of a resolution adopted by the governing body designating its authorized representative and authorizing the submission of a loan application. We recommend designating the title of the person authorized to sign as opposed to using a specific name; for example, use President, Board of Directors as opposed to the person's name. The Application for Planning Funds must be signed by the authorized representative. (If you are submitting an application on behalf of the invited system with the problem, written authorization for you to act on that system's behalf **must** be included with the application.)

**11. Principal Contact Person**

Provide the name, title, telephone number, and email of the person that CDPH should contact for any questions or for further information regarding the Application for Planning Funds.

**12. Project Engineer**

Provide the name, telephone number, email, and address of the engineer or engineering firm that is currently or will be planning and designing the project, if known.

There are many categories of engineering specialties. However, the engineer you select must be a professional engineer (PE) licensed by the state of California as a civil engineer, who has experience in design of public water systems or drinking water treatment facilities. It is not legal for engineers to undertake assignments they are not qualified to do.

**13. Environmental Consultant Contact**

Provide the name, telephone number, email, and address of the environmental consultant that is currently or will be completing all environmental documents, if known. CDPH anticipates that a qualified environmental consultant will prepare all environmental documentation.

**14. Project Costs**

Enter the total cost to complete the planning project and the amount of SDWSRF funding requested. If requested funding amount will not cover the total project cost, please include the total of the other funds necessary to have a fully funded project. List each source separately under Part D, No. 11 of the Application for Planning Funds.

**PART B. MANAGERIAL INFORMATION****1. Classification of Water System**

Check the box that represents your type of system. If you are unsure of the classification of your system, refer to the system's domestic water supply permit. The system classification should be noted on the permit.

**2. Ownership of the Water System**

Check the box that corresponds to the ownership of your water system. Non-community water systems are only eligible for SDWSRF funding if they qualify as a non-profit entity. Non-profit owners of non-community water systems must include the appropriate IRS non-profit ID number and Tax Exempt Status form IRS 501(c). Privately owned systems must include a copy of the fictitious name statement. Corporations must provide a copy of their Articles of Incorporation.

The following is a list of ownership documentation for the different types of for-profit or non-profit private water systems. Please submit copies of all of the ownership documentation that corresponds to the water system’s ownership type.

Limited Liability Corporation	Partnership
Corporation K-1 Documentation. Articles of Organization Bylaws/Executed Operating Agreement(s)	Partnership Agreement(s) IRS K-1 Documentation (if applicable). Majority owner’s last three years of personal tax returns.
For-Profit Corporation	Non-Profit Corporation
Articles of Incorporation Bylaws/Operating Agreement(s) Filing documents for Fictitious Business Name (DBA)	Articles of Incorporation Bylaws/Executed Operating Agreements IRS Tax Exempt Determination IRS 501 C Filing documents for Fictitious Business Name (DBA)
Sole Proprietorship	Other
Fictitious Name Certificate Schedule “E” or “C” of tax returns	Grant deeds, quitclaim deeds, etc. on land

If your water system is a Corporation, Limited Liability Company, Limited Partnership or Incorporated Mutual, then please list your water system’s California Secretary of State Entity Number as well as your water system’s filing status with the California Secretary of State. Information relating to a Corporation’s, Limited Liability’s, Limited Partnership’s or Incorporated Mutual’s filing with the Secretary of State can be found at the following website:  
<http://kepler.sos.ca.gov/>

**3. Litigation**

Identify whether there is any litigation pending that could affect the water system’s financial situation to the extent that the system’s loan repayment capability could be hindered. Minor litigation that does not have this effect does not have to be described. However, if the litigation is over water rights, this must be described as it could affect the water system’s ability to provide an adequate water supply.

**4. Water System Regulated by the California Public Utility Commission (CPUC)**

Indicate whether your water system is regulated by the CPUC. A list of all matters relating to your water system that are currently pending before the CPUC must be provided with your application for SDWSRF funding. Water systems regulated by the CPUC that are offered funding will be required to obtain CPUC approval to enter into a funding agreement for a SDWSRF loan.

**5. Key Officers**

Provide the name, title, and duties of key officers of the water system. If there are more than three individuals, submit an organization chart showing the names, titles, and the reporting relationship of all key persons involved with the operation of the water system. The organization chart does not need to describe all personnel employed by the system, only those persons that have primary responsibilities for making decisions that affect the operation of the water system.

**6. Authority to Enter into a Funding Agreement**

Applicants must have the legal authority to enter into an SDWSRF funding agreement. Applicants need to write in next to the “yes” box under subsection 6.a., the maximum loan term (e.g. 5 years) that can be entered into.

**7. Contract Operations**

Identify if any portion of the water system operations is contracted to a private entity or another agency. If applicable, name the contractual party and provide a copy of the agreement.

**8. Leases**

If any major portion of the water system, such as water sources, land upon which all or a portion of the system is located, treatment facilities, or pipelines are utilized pursuant to a lease, the terms of the lease must be described or a copy attached to the application. CDPH must be assured that the water system has full control over all key facilities of the water system. Leased equipment, such as vehicles, and leased space for laboratories or offices do not need to be described. If a lease is critical to the location or operation of proposed project facilities such as land upon which a water source or a treatment plant is located, the lease must cover the loan repayment period which is typically 5 years for planning funds. NOTE: An applicant that does not own or lease the land upon which all or a portion of the system is located must have a recorded easement on the land upon which the facilities are located.

**PART C. TECHNICAL INFORMATION****1. Water System Information**

- a. Describe the current state of the water system and its facilities. Include thorough details of source(s), storage, treatment, and the distribution system, including capacities, sizing, types, and treatment techniques.
- b. Attach a system map which identifies the major facilities as described above.
- c. Identify and delineate the service area of the water system. This can be done by providing a map showing the boundaries of the area served by the specific permitted

water system. For community water systems that do not have a specified legal boundary, the service area should be described as that area served by the existing distribution system.

For non-community water systems, the county assessor's plot map may be used to show the location of the water system. If the majority of the "users" of the non-community system are derived from a specific area, then this area can be used as the service area for the system. CDPH uses the area served for determining Median Household Incomes (MHI) of the water system.

If the boundaries of the project extend beyond the area served by the existing distribution system, the location of the current distribution system within those overall boundaries should be shown on the service area map (for example, projects planning for consolidation).

d. Describe the nature of the water rights that apply to the system water source(s). State law requires that CDPH determine that applicants hold any necessary water rights prior to making an offer of funds. If your source water is derived from a surface source pursuant to riparian rights, or if you extract groundwater from a basin that is not adjudicated, provide a statement to that effect. If you purchase water from another water source, indicate that fact and attach a copy of the executed contract. If you divert surface water pursuant to a water right granted by the State Water Resources Control Board, attach a copy of that permit. If you have applied for a water right permit but one has not yet been issued, provide a copy of your application for the water right. Also, list any pending issues with the State Water Resources Control Board. If you extract water from an adjudicated groundwater basin, attach a copy of your right to extract such water from the basin water master. If the source draws from an adjudicated water basin, provide documentation of the terms of the adjudication as they relate to the water system's source.

e. Estimate the population served on an average daily basis by the water system. In addition to the population served by the entire water system, please include the population specifically benefitting from this project. If estimating a population served, the estimation shall be determined using one of the following methods:

- i. Utilize the most recent U.S. census data, or most recent special census data certified by the California Department of Finance, for the service area served by the water system;
  1. For community water systems, the estimation should consider the permanent population of the community.
  2. Seasonal community systems should use the average population served by the system during the peak period in which the system is in operation.

3. Non-community water systems should use the average daily population served during the periods that the system is in operation.
  4. Wholesalers or entities that deliver water to another water system should contact their respective CDPH District Office to help calculate the appropriate number of population served.
- ii. Multiply the number of service connections served by the water system by 3.3 to determine the total population served;
  - iii. Determine the total number of dwelling units or efficiency dwelling units as defined in the Uniform Building Code (Title 24, California Code of Regulations), the number of mobile home park spaces and the number of individual business, commercial, industrial and institutional billing units served by the water system and multiply this total by 2.8 to arrive at the total population served by the water system.
- f. Provide the total number of active service connections that are currently and directly served by the water system. This includes all domestic, residential, industrial, commercial, and other connections. In addition to the connections served by the entire water system, please include the number of active service connections specifically benefitting from this project.
- i. Wholesalers, or entities that deliver water to another water system, should contact the CDPH District Office for help determine the appropriate number of service connections.
  - ii. Non-community water systems do not need to fill out this section and should indicate "not applicable" on the form.
- g. Specify which agency has jurisdiction over your public water system. If your system is under Local Primacy Agency (LPA) jurisdiction, include the LPA County.
- h. Provide the water system permit number, status, and any amendments including dates. Attach a copy of your water system permit to this application.

## 2. Description of Planning Project

- a. The problem description can be reported by providing the following information:
  - i. Historical description of the ranked problem
  - ii. Source of the problem
  - iii. Violations committed by the water system

In addition to describing the problem, attach supporting documents to verify the problem still exists such as the last two years of water quality data, most recent compliance order and/or some type of enforcement action, etc. Any documentation

submitted **must** be dated within two years of the Statement of Intent. Older documentation cannot be used to verify that the problem still exists.

b. Clearly describe all planning project activities. It is essential to evaluate all feasible alternative solutions. For example, if the problem is a contaminated well, alternatives may include drilling a new well, installing treatment on the existing well, blending the water with other uncontaminated sources, purchasing water from another system, and physically consolidating with an adjacent water system. Alternatives that are not feasible for economic or physical reasons do not need to be evaluated. An alternative solution should not be discarded for political reasons, such as the adjacent system is not interested in consolidating. Alternatives that involve significantly different concepts also need to be evaluated.

c. Attach a copy of any analysis of alternatives that has been done.

d. If the selected alternative has already been determined, the selection must be the most cost-effective, long-term solution that solves the identified ranked problem. The selected alternative must be approved by the CDPH District Office prior to proceeding with the plans and specification development.

Describe how the selected project would solve the primary problem and the results that would be expected. Results may include: an improvement in water quality, maintaining water quality, reduction in treatment or operational costs, reduction in monitoring costs, potential public health benefits, etc.

e. If known, attach a map of all proposed improvements included in the planning project. If the planning project will include test wells, please include their locations on the map.

### **3. Scope of the Project (Scope), Budget and Schedule**

Please provide a Scope that includes each task to be performed during the planning project. The Scope must be substantially in the form of Enclosure 3p in the application packet. Tasks may be added or removed from the Scope as necessary, but the format must not be altered significantly. In addition to completing a Scope, please fill out the project budget sheet and project schedule included with Enclosure 3p.

NOTE: Land acquisition and the purchase of easements are not eligible costs for planning project. However, the appraisals and preparation can be funded as part of the planning project.

If there is a question on eligible planning tasks, please contact your local CDPH District Office before completing this section.

The following items must be completed prior to applying for SDWSRF construction funds:

- i. Final Plans and Specifications
- ii. Completed CEQA/NEPA Documentation
- iii. Technical, Managerial, and Financial (TMF) Assessment

If you plan on applying for SDWSRF construction funds and you have not yet completed the tasks above, we strongly recommend you include those items in your planning project. They are necessary tasks and deliverables for a project to proceed to construction funding and are eligible for SDWSRF planning funding. However, the completion of a SDWSRF construction application (CDPH Form 8585) **should not be included** within the planning project's Scope and will not be reimbursed with SDWSRF planning funds. Please review the SDWSRF construction funding application online to ensure readiness for the submission of a construction application upon completion of the planning project. **Planning projects are required by regulation to be completed no later than 36 months from the date of execution of a funding agreement. Moreover, a water system will have 4-months from the completion of a planning project to submit a complete construction application.**

## PART D. FINANCIAL INFORMATION

**The Department of Water Resources (DWR) conducts the financial analysis of applications with respect to loan repayment capability, and prepares a financial report for submission to CDPH. The report contains the recommended loan amount, grant eligibility, interest rates, Median Household Income (MHI), and loan repayment terms. You may be contacted directly by DWR or the CDPH Fiscal Services Unit with respect to any financial items.**

### 1. Average Current Monthly Residential Water Bill

Determine the average current monthly residential water bill. Do not include industrial and commercial users. If the water system uses a tiered water rate, the charge should reflect what a typical residential user pays. The bill should reflect direct water charges plus any other fees or charges that support the water service such as parcel fees, standby charges, water taxes, and surcharges. Applicants must include the methodology and calculation used for determining the average residential water bill.

### 2. Average Monthly Residential Water Bill for Prior Three Years

Determine the average current monthly residential water bill for the prior three years. Do not include industrial and commercial users. If the water system uses a "tiered" water rate, the charge should reflect what a typical residential user paid. The average water bill should reflect direct water charges plus any other charges that support the water service such as parcel fees, standby charges, water taxes, and surcharges. Applicants must include the methodology and calculation used for

determining the average residential bill. Applicants must also give an explanation for any changes in the average water bill for the prior three years.

### 3. Water Rate Structure

Attach the water rate structure covering the past three years for all consumers including commercial and industrial users.

### 4. Average Projected Increase to the Monthly Residential Water Bill

Calculate the projected increase to the monthly residential water bill as a result of the amount of funding requested. Estimate the portion of the eligible project cost that will be passed on to the consumers (this should be consistent with the Engineering Report). In calculating this projected cost, all related costs of the eligible project (do not include any ineligible project costs), including operation and maintenance costs, should be included. Planning loans have a 5-year loan term. For example, during the calendar year 2013, the interest rate for conventional SDWSRF loan offers is 1.7875 percent; however, the interest rate will change January 1, 2014. Funding commitments made after December 31, 2013 will be issued with the new rate established for the calendar year 2014. Disadvantaged and severely disadvantaged communities may assume a zero percent interest rate on any SDWSRF loan. Non-disadvantaged communities assume the conventional SDWSRF rate. If you are not certain whether your community qualifies as “disadvantaged” or “severely disadvantaged” then use the higher rate. Do not include anticipated increases in the water bill that are not related to the eligible portion of the SDWSRF project (this will be included in the next item.) No SDWSRF grant funding should be assumed; however, grant funds from other agencies can be included in the calculation.

**NOTE:** CDPH defines “disadvantaged” as a community whose MHI is equal or less than 80% of the statewide MHI, and “severely disadvantaged” as a community whose MHI is equal or less than 60% of the statewide MHI. For example, for 2013, an entity qualifies as a disadvantaged community if the MHI of the service area is equal or less than \$46,979 and severely disadvantaged community if the MHI of the service area is equal or less than \$35,234. (CDPH/DWR as part of the application review will determine the MHI for a water system. Check SDWSRF website for current SDWSRF loan interest rate and statewide MHI.)

The methodology and calculations for determining the cost impact of the Planning loan should be shown on the Planning application. Add a separate page if necessary. If the increase will be imposed on both residential and non-residential users, please include that information when explaining the methodology used for calculations.

### 5. Water Rate Study

Indicate whether a water rate study has ever been performed on your water system as well as the date of the study, subsequent findings and actions taken by the water system governing body.

**6. Average Projected Monthly Residential Water Bill for Next 3 Years**

Provide the total overall projected residential water bill for the next three years. Do not include the increase calculated in number 4 above. Include any ineligible project costs as well as non-project related water system costs that will be imposed on the residential users during the next 3 years. The methodology and calculations should be shown.

**7. Source of Fund for Loan Repayment**

Describe and provide the actual name of the funding source that you plan to use for loan repayment. SDWSRF applicants are required to have a “dedicated” source of funds for loan repayment. Some examples are: net revenues of the XYZ Fund, assessments, a California Public Utility Commission (CPUC) approved surcharge, etc. Prior to actual funding agreement execution the applicant must submit a resolution or ordinance adopted by the governing board establishing the dedicated source of revenue and pledging such revenue source as collateral for the loan.

**8. 5-Year Revenue/Expenditure Projection**

Attach a projected cost breakdown of the revenue and expenditure of the water system for the next 5 years. See table below for example.

EXPENSES AND SOURCE OF FUNDS	YEAR				
	2014	2015	2016	2017	2018
<b>EXPENSES</b>					
<b>Annual operation and maintenance expenses</b>					
-salaries and benefit	\$100,000	\$120,000	\$150,000	\$170,000	\$190,000
-repairs and maintenance	\$5,000	\$6,000	\$7,000	\$8,000	\$9,000
<b>TOTAL EXPENDITURES</b>	<b>\$105,000</b>	<b>\$126,000</b>	<b>\$157,000</b>	<b>\$178,000</b>	<b>\$199,000</b>
<b>REVENUES</b>					
SRF Loans	\$500,000				
Cash Revenues ( Water rates)	\$120,000	\$150,000	\$190,000	\$220,000	\$250,000
<b>TOTAL REVENUES</b>	<b>\$620,000</b>	<b>\$150,000</b>	<b>\$190,000</b>	<b>\$220,000</b>	<b>\$250,000</b>
<b>NET INCOME</b>	<b>\$515,000</b>	<b>\$24,000</b>	<b>\$33,000</b>	<b>\$42,000</b>	<b>\$51,000</b>

**9. Loan Security**

Identify specifically what you are proposing to use as security for a loan, for example, assessments secured by property, stock, net revenues of the water system, or property. If security is in the form of real property, provide an estimate of the value, how the value was determined, and whether the property is already pledged as security for another loan.

**10. Financial Statements**

Refer to your 2013 financial statement to answer questions (a) and (b) of this section. Provide explanation if needed.

Applicants with financial statements based on a calendar year (January 1 through December 31) must submit audited financial statements for the three most current years. You must submit years 2011, 2012, and 2013. Applicants with financial statements based on a July 1 through June 30 fiscal year must submit years 2010/11, 2011/12, 2012/13 and balance sheets for the period July 1, 2013 through December 31, 2013.

Privately owned water systems must submit 2011, 2012, and 2013 Federal income tax returns (all schedules) and balance sheets for all three years.

**11. Source of Other Funds**

If project funding will not be entirely from SDWSRF funds, you must complete the information on the table provided. The full name of each of the lenders or grantors is to be listed under Fund Source. The second column should designate whether the funds are in the form of a loan, a grant, or in the case of applicant funds, whether these are from cash reserves or another source. In Column "Funding Applied For", indicate with a yes or no whether these funds have been applied for at the time this application was submitted. In Column "Funding Secured", indicate with a yes or no whether these funds have been secured. In Column "Explain", provide actions, plans and timelines to secure the funding, if "No" was indicated in either Column "Funding Applied For" or "Funding Secured."

**12. Existing Long-Term Indebtedness**

Provide detailed information on all existing outstanding debts of the water system and attach corresponding documentation (i.e. loan agreements, bond indentures of trust, etc.)

**Loans Paid Off in the Last 12 Months**

Provide detailed information and supporting documentation on all loans paid off in the last 12 months.

**PART E. ENVIRONMENTAL INFORMATION**

**The CDPH Environmental Review Unit (ERU) conducts preliminary reviews of all planning loan projects to determine the appropriate statutory or categorical exemption pursuant to the California Environmental Quality Act (CEQA). Pursuant to CEQA Guidelines, Section 15262, a project involving only feasibility or planning studies for possible future actions do not require the preparation of an environmental document, but must consider any environmental factors.**

All applicants are responsible for completing section 1, General Information and section 2, CEQA Status within Part E of the application.

Public agencies acting as the CEQA Lead Agency must complete sections 1, 2 and 3 of the application and will be required to file a Notice of Exemption (NOE) with the Office of

Planning and Research State Clearinghouse (State Clearinghouse) prior to signing the funding agreement. The funding agreement will not be executed until a copy of the notice is forwarded to the CDPH ERU along with the State Clearinghouse Number. The State Clearinghouse can be contacted at [www.opr.ca.gov](http://www.opr.ca.gov) or 916-445-0613.

CDPH will act as lead agency for private, mutual and investor-owned utilities and will file all NOEs with the State Clearinghouse at the time of execution of the funding agreement. These agencies do not need to complete section 3 if CDPH will be acting as the Lead Agency.

## **1. General Information**

- a) Provide any supplemental information that describes any ground-breaking activities not already described in the technical sections above. These activities may include soil borings, pilot test holes, test wells, clearing or removing of topsoil, small grading and excavation sites and staging areas for field pilot tests.
- b) Include all assessor parcel numbers (APN) for sites that can be identified at the time of application. If these sites are to be determined as part of the planning project, describe at what stage they will be identified. It is not necessary to list all APNs for large, regional consolidation projects.
- c) List any other permits, approvals, local planning activities or other ministerial actions that need prior approval by any other local, state, regional or planning authority. For example, projects may need the approval of a Local Agency Formation Commission (LAFCO) or other planning authority may require an encroachment or other right of way permit or may require the review of the local planning department.

## **2. California Environmental Quality Act (CEQA) Status**

- a) If a planning project or pilot study has been incorporated into a project and is described in an existing CEQA document (Negative Declaration, Mitigated Negative Declaration or an EIR) indicate the title of the document, the State Clearinghouse Number, the lead agency name and approval date. A copy of the final documentation is required to be submitted to CDPH along with the completed application.
- b) All public agencies are their own CEQA lead agencies. Public agencies include utility districts, service districts, water agencies and school districts. All NOEs must be filed with the State Clearinghouse.
- c) If the applicant of the planning loan is a private, mutual or investor-owned water system, CDPH will be the CEQA lead agency and will make the determination for a possible CEQA exemption. CDPH ERU will evaluate

the project using the information given in the completed Enclosure 1P – Application. Further information may be requested by CDPH ERU staff.

### 3. State of California Environmental Review Process

a) **FOR PUBLIC AGENCIES ONLY** Pursuant to CEQA, exemptions are described as statutory or categorical.

- **Statutory Exemptions** (CCR Chapter 3, Article 18, Section 15262 – Feasibility and Planning Studies) are projects that are granted an exempt status by the Legislature and include activities which have no ground disturbing or ground-breaking element to them.
- **Categorical Exemptions** (CCR Chapter 3, Article 19, Section 15306 – Information Collection) are projects that include activities which have ground-breaking elements, such as test wells or field pilot studies.

## PART F. FEDERAL CROSS-CUTTING REQUIREMENTS

Federal Cross-cutting Requirements for public and private water utilities are triggered for applicants serving greater than 1,000 service connections or planning projects with SDWSRF costs greater than \$1,250,000. Funding application applicants whose projects meet either of these criteria must complete both sections of Part F.

While some of these requirements apply to any project utilizing federal funds, many of these will not be applicable for a short term planning study. Should the water system plan to seek construction funding for the selected construction project from the SDWSRF, these requirements should be reviewed to determine which may apply to the proposed construction project.

### 1. Federal Cross-cutting NEPA-like Requirements

The CDPH is the state agency designated by the United States Environmental Protection Agency (USEPA) for all federal coordination for the NEPA-like review process for the SDWSRF. The CDPH ERU will act as the coordinating agency for all NEPA-like federal review. The NEPA-like Federal Crosscutting Requirements are outlined in the “**SDWSRF Federal Cross-Cutter Checklist**”. The online form is available at the following link:  
<http://www.cdph.ca.gov/certlic/drinkingwater/Documents/ERU/FederalIX-cutterChecklist-February2010.dot>

### 2. Federal Cross-Cutting Requirements Certification

Federal Cross-Cutting Requirements are those provisions in federal law which apply (by their own terms) to projects and activities receiving federal financial assistance. In order to enter into a SDWSRF funding agreement with CDPH, each water system is required to certify that they are in compliance with each of the listed federal regulatory requirements. All applicants must sign the

certification provided in Part F, stating that the applicant has or will comply with the requirements as applicable to the planning project

### **PART G. FEDERAL WAGE REQUIREMENT (DAVIS-BACON ACT) CERTIFICATION**

The SDWSRF requires payment of federal prevailing wages. Specifically, Davis-Bacon Act wage rules apply to all assistance agreements made in whole or in part with SDWSRF funds. In order to enter into a SDWSRF funding agreement with CDPH each water system is required to certify that they are in compliance with the Davis-Bacon Act requirement. As part of the application, applicants are required to sign the certification provided in Part G, stating that the applicant has or will comply with the requirements of the Davis-Bacon Act and applicable implementing regulations and guidance.

### **PART H. PROFESSIONAL SERVICE PROCUREMENT**

As part of the application, applicants are required to sign the acknowledgment provided in Part H, informing the applicant of the specified regulations and guidance for all SDWSRF projects for which grant funding is awarded.

### **PART I. APPLICATION ATTACHMENTS**

Please review the list carefully and use the Applicant Checklist of Required Documents (Enclosure 4p) to ensure the application package you submit includes all documents required to be submitted to consider your application complete.

Applicant's authorized representative must sign the Application for Planning Funds (Enclosure 1p.)